SHRI R.L. JALAPPA : Let me answer the question. This is a specific question. Some hon. Member was advising me to do my homework and come here. I thank him for the advice...*(Interruptions)*

MR. DEPUTY SPEAKER : Please sit down. Let the hon. Minister give his reply to the question.

(Interruptions)

SHRI R.L. JALAPPA : I thank the hon. Member for the suggestion. What is it that they want? Do they want me to reply or not?

[Translation]

SHRI RAM KRIPAL YADAV : You please listen.

SHRI MADHUKAR SARPOTDAR : I will listen only when you allow to give reply...*(Interruptions)*

MR. DEPUTY SPEAKER : The hon. Minister has not been able to give his reply properly. He should come after doing his home-work. I shall allow Half-an-hour discussion.

(Interruptions)

[English]

MR. DEPUTY SPEAKER : Please come prepared.

(Interruptions)

[Translation]

SHRI KASHIRAM RANA : Mr. Deputy Speaker, Sir, this question has not been replied. Therefore, please allow half-an-hour discussion.

[English]

SHRI R.L. JALAPPA : All right. I have no objection.

WRITTEN ANSWERS TO QUESTIONS

[Translation]

Debt Servicing

*144 SHRI RAMESHWAR PATIDAR
SHRI PRAMOD MAHAJAN :

Will the Minister of FINANCE be pleased to state :

(a) whether during the current financial year approximately 30% of the debt is likely to be spent to meet debt servicing liabilities;

(b) if so, the details thereof; and

(c) the steps taken by the Government to reduce the debt burden?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) and (b). No, Sir. External debt service is estimated to go up to about US $ 14.5 billion in 1996-97 from US $ 12.6 billion in 1995-96. A precise projection of debt service is rendered difficult by movements in the cross rates between various currencies in which India's debt is denominated as well as by fluctuations in interest rates applicable to various loans. India's foreign debt was estimated to be US $ 93.8 billion at end September 1995.

(c) A prudent debt management policy is being pursued to contain the growth of external debt and debt-service. As per World Bank classification, India is a moderately indebted country. Sustaining a high rate of growth of exports, encouraging non-debt creating capital inflows and keeping the maturity structure as we as the total amount of commercial debt under control are the major planks of our debt management policy.

[English]

Devaluation of Rupee

*145. SHRI JAGAT VIR SINGH DRONA : Will the Minister of FINANCE be pleased to state :

(a) whether there was 17% devaluation of rupee during the last one year;

(b) if so, the reasons therefor;

(c) the steps being taken to stop the devaluation of Rupee;

(d) the loss suffered by the Government due to this devaluation of rupee so far; and

(e) the steps taken or proposed to be taken to balance the loss incurred so far?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) The average exchange rate of the rupee for June 1996, compared to the corresponding average in June 1995, marked a depreciation of 10.2% against the US dollar, 7.2% against the Pound Sterling, 2.1% against the Deutsche Mark and 5.4% against the French Franc. However, over the same period, the rupee appreciated by 15.6% vis-a-vis the Japanese Yen.

(b) The exchange rate of the rupee is determined by the market forces of demand and supply. Under this system, the exchange rate moves in both directions in response to changes in underlying economic fundamentals, short term speculation and developments in the international currency markets.

(c) The exchange rate developments are monitored continuously both by the Government and the Reserve Bank of India. Measures are taken, as and when necessary, to maintain orderly market conditions as well as to ensure that the exchange rate of the rupee remains consistent with economic fundamentals.

(d) and (e). The development in the nominal exchange rate of the rupee during the past one year was a market correction for the appreciation of the rupee.

in real terms, which had occurred because of the inflation differential between India and abroad in the previous couple of years. Thus, the overall movement in the nominal exchange rate of the rupee is broadly consistent with restoring India's competitiveness abroad. This will support export promotion and import substitution activities, and will improve the foreign trade balance and the overall balance of payments. The overall movement is also consistent with the longer term objective of viable balance of payments based on strong competitiveness.

Trade Deficit

*146. SHRI DATTA MEGHE :
DR. RAMKRISHNA KUSMARIA :

Will the Minister of COMMERCE be pleased to state :

(a) the details of trade deficit of the country during 1993-94, 1994-95 and 1995-96;

(b) whether there has been increase in trade deficit during the above period;

(c) if so, the reasons therefor; and

(d) the action proposed to be taken by the Government to improve the position in this regard?

THE MINISTER OF STATE OF THE MINISTRY OF COMMERCE (SHRI BOLLA BULLI RAMAIAH) : (a) and (b). As per available data from DGCI & S, the trade deficit of the country during 1993-94, 1994-95 and 1995-96 (Provisional) are US $ 1069 million, US $ 2324 million and US $ 4539 million respectively.

(c) The trade deficit has risen mainly due to increase in imports of essential commodities like petroleum and fertilisers, items of mass consumption like edible oil and higher imports of capital goods, raw materials and intermediate goods required for accelerated industrial production and Exports.

(d) The key to narrowing trade deficit lies in accelerated export growth. Export Promotion measures are continuously being taken by the Government through policy and promotional schemes, measures taken to promote exports include simplification of export-import policy and procedures, improving efficiency & competitiveness, focussing on quality and technology upgradation and efforts to actively involve the State Governments in export promotion. Export promotion is a continuing activity based on interactions with industry, trade and other export promotional institutions.

Expenditure on Candidates for Election

*147. SHRI MADHAVRAO SCINDIA : Will the Minister of LAW AND JUSTICE be pleased to state:

(a) whether the Government are aware that a large number of independent candidates are fighting elections to certain Assembly and Parliamentary seats;

(b) if so, whether there is any proposal to curb the uncalled expenditure on their security and other administrative expenditure and to obviate the difficulties of the electorate; and

(c) if so, the details thereof?

THE MINISTER OF STATE OF THE DEPARTMENT OF LEGAL AFFAIRS, LEGISLATIVE DEPARTMENT AND DEPARTMENT OF JUSTICE (SHRI RAMAKANT D. KHALAP) : (a) Yes, Sir.

(b) and (c) Government is considering various measures to discourage non-serious candidates from contesting elections. These, amongst others, include increase in the security deposit; increase in the minimum percentage of votes required to be polled to save forfeiture of security deposits and listing of names in the ballot paper of candidates of recognised political parties above the names of independent candidates.

Economic Policy

*148. SHRI P.R. DASMUNSI : Will the Minister of FINANCE be pleased to state :

(a) whether the Government's liberal economic policy has hit the PSUs growth and competitive skill; and

(b) if so, what steps Govt. has taken or propose to take to make the PSUs more competitive and stronger?

THE MINISTER OF FINANCE AND MINISTER OF COMPANY AFFAIRS (SHRI P. CHIDAMBARAM) : (a) Trends in key parameters reflecting the growth of Central Public Sector Enterprises (PSEs) from 1990-91 to 1993-94 (the latest year for which the infromation are available) as given below indicate that the performance of PSEs has improved to some extent since the new Industrial Policy was initiated in July, 1991.

Trends of Key Economic Parameters of Central Public Sector Enterprises from 1990-91 to 1993-94

Indicators	1990-91	1991-92	1992-93	1993-94
1	2	3	4	5
1. Number of operating Enterprises	236	237	239	240
2. Capital employed (CE) (Rs. crores)	102084	117991	140110	159307